

HOUSE BUSINESS AND INDUSTRY COMMITTEE SUBSTITUTE FOR
HOUSE BILL 361

46TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2003

AN ACT

RELATING TO TAXATION; PROVIDING A GROSS RECEIPTS TAX DEDUCTION
FOR CERTAIN RECEIPTS FROM SERVICES OF LICENSED HEALTH
PRACTITIONERS; MODIFYING CERTAIN DISTRIBUTIONS TO
MUNICIPALITIES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. A new section of the Tax Administration Act is
enacted to read:

"~~[NEW MATERIAL]~~ DISTRIBUTION TO MUNICIPALITIES FROM GROSS
RECEIPTS TAX--OFFSET FOR LICENSED HEALTH PRACTITIONER SERVICES
DEDUCTION. --

A. A distribution pursuant to Section 7-1-6.1 NMSA
1978 shall be made to a municipality in an amount, subject to
any increase or decrease made pursuant to Section 7-1-6.15 NMSA
1978, equal to the total deductions claimed pursuant to Section

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1 7-9-81.1 NMSA 1978 for the month by taxpayers from business
2 locations attributable to the municipality multiplied by the
3 sum of the combined rate of all municipal local option gross
4 receipts taxes in effect in the municipality for the month plus
5 one and two hundred twenty-five thousandths percent.

6 B. For the purposes of this section, "business
7 locations attributable to the municipality" means business
8 locations:

9 (1) within the municipality;

10 (2) on land owned by the state, commonly known
11 as the "state fair grounds", within the exterior boundaries of
12 the municipality;

13 (3) outside the boundaries of the municipality
14 on land owned by the municipality; and

15 (4) on an Indian reservation or pueblo grant
16 in an area that is contiguous to the municipality and in which
17 the municipality performs services pursuant to a contract
18 between the municipality and the Indian tribe or Indian pueblo
19 if:

20 (a) the contract describes an area in
21 which the municipality is required to perform services and
22 requires the municipality to perform services that are
23 substantially the same as the services the municipality
24 performs for itself; and

25 (b) the governing body of the

1 municipality has submitted a copy of the contract to the
2 secretary. "

3 Section 2. A new section of the Gross Receipts and
4 Compensating Tax Act, Section 7-9-81.1 NMSA 1978, is enacted to
5 read:

6 "7-9-81.1. [NEW MATERIAL] DEDUCTION--GROSS RECEIPTS--
7 CERTAIN RECEIPTS FROM SERVICES PROVIDED BY LICENSED HEALTH
8 PRACTITIONERS. --

9 A. Receipts from payments by managed health care
10 providers for the commercial portion of contract services
11 provided by a licensed health practitioner may be deducted from
12 gross receipts.

13 B. As used in this section:

14 (1) "commercial portion of contract services"
15 means services performed pursuant to a contract with a managed
16 health care provider other than those provided for medicare
17 patients pursuant to Title 18 of the federal Social Security
18 Act or for medicaid patients pursuant to Title 19 of the
19 federal Social Security Act;

20 (2) "licensed health practitioner" means:

21 (a) a chiropractic physician licensed
22 pursuant to the provisions of the Chiropractic Physician
23 Practice Act;

24 (b) a dentist or dental hygienist
25 licensed pursuant to the provisions of the Dental Health Care

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1 Act;

2 (c) a physician or physician assistant
3 licensed pursuant to the provisions of Chapter 61, Article 6
4 NMSA 1978;

5 (d) an osteopathic physician licensed
6 pursuant to the provisions of Chapter 61, Article 10 NMSA 1978
7 or an osteopathic physician's assistant licensed pursuant to
8 the provisions of the Osteopathic Physicians' Assistants Act;

9 (e) a doctor of oriental medicine
10 licensed pursuant to the provisions of the Acupuncture and
11 Oriental Medicine Practice Act;

12 (f) a podiatrist licensed pursuant to
13 the provisions of the Podiatry Act;

14 (g) a psychologist licensed pursuant to
15 the provisions of the Professional Psychologist Act;

16 (h) a registered nurse or licensed
17 practical nurse licensed pursuant to the provisions of the
18 Nursing Practice Act;

19 (i) a registered lay midwife registered
20 by the department of health;

21 (j) a physical therapist licensed
22 pursuant to the provisions of the Physical Therapy Act;

23 (k) an optometrist licensed pursuant to
24 the provisions of the Optometry Act;

25 (l) a registered occupational therapist

1 licensed pursuant to the provisions of the Occupational Therapy
2 Act;

3 (m) a respiratory care practitioner
4 licensed pursuant to the provisions of the Respiratory Care
5 Act; and

6 (n) a clinical laboratory accredited
7 pursuant to 42 USCA 263; and

8 (3) "managed health care provider" means a
9 person that provides for the delivery of comprehensive basic
10 health care services and medically necessary services to
11 individuals enrolled in a plan through its own employed health
12 care providers or by contracting with selected or participating
13 health care providers. "Managed health care provider" includes
14 only those persons that provide comprehensive basic health care
15 services to enrollees on a contract basis, including the
16 following:

- 17 (a) health maintenance organizations;
- 18 (b) preferred provider organizations;
- 19 (c) individual practice associations;
- 20 (d) competitive medical plans;
- 21 (e) exclusive provider organizations;
- 22 (f) integrated delivery systems;
- 23 (g) independent physician-provider
24 organizations;
- 25 (h) physician hospital-provider

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1 organizations; and

2 (i) managed care services

3 organizations. "

4 Section 3. EFFECTIVE DATE. --

5 A. The effective date of the provisions of Section
6 1 of this act is August 1, 2003.

7 B. The effective date of the provisions of Section
8 2 of this act is July 1, 2003.

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